

Business

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Tax credits aim to encourage telecommuting in MontCo

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BALTIMORE — Hoping to encourage more telecommuting in Montgomery County, the County Council this week approved regulations for companies to claim a tax credit for computers used by teleworkers.

The credit makes Montgomery County the first jurisdiction to take advantage of a state law passed in 2002 that allows local governments to create credits against local taxes for telecommuting.

"It has to be incentivized, because of the counterintuitive nature of telecommuting," said Councilman Howard Denis, one of the bill's lead sponsors. "We really have to educate middle managers."

Montgomery County actually approved the tax credit in 2005, but just

this week laid out the details of the program.

Companies can claim a credit for 50 percent of the cost of personal computers purchased after Dec. 31, 2005. The computer must be used for work at least 78 days per year, or one and a half days per week. Each company can claim up to \$2,000 per year.

The county allocated \$100,000 for the current fiscal year, which ends this week, \$180,000 for fiscal year 2007 and \$250,000 for fiscal year 2008.

Joanne Pratt, a consultant and futurist who advises companies and governmental agencies on technology and teleworking, said the tax credit could tip the scales for companies hesitant to offer teleworking options.

"As far as the tax credit, that is sort of a cherry on top of the sundae. It won't make telework happen, but it will

encourage it when the climate is right within an organization," Ms. Pratt said.

The Washington metropolitan area already leads the nation in telecommuting, according to Montgomery County Chamber of Commerce President Richard Parsons.

"It's a good employee recruitment and retention practice to offer teleworking," Mr. Parsons said. "The major benefit is definitely for improving the quality of the workplace and providing employees with the flexibility to have a more balanced quality of life."

With rising gas prices and the constant upgrading of technology, more and more employers have begun to consider telecommuting as a viable option.

And while telecommuting often acts as an attractive recruitment tool, Telework Coalition President Chuck Wilsker said employers usually benefit

the most from allowing employees to work from home.

"They can save money on real estate. They can increase retention. They can hire from a much wider geographic area if people don't have to drive to work every day," Mr. Wilsker said. Employers have also found it increases productivity and reduces costs associated with unscheduled absences, Mr. Wilsker said.

Companies with teleworking plans in place will be able to function in case of a natural disaster or a terrorist attack. Mr. Wilsker pointed to the current onslaught of rain and storms in the mid-Atlantic region, which has brought severe flooding across Maryland. The weather has shut down federal agency buildings, some major roadways and impacted MARC train service.